

Online Research @ Cardiff

This is an Open Access document downloaded from ORCA, Cardiff University's institutional repository: <https://orca.cardiff.ac.uk/id/eprint/78684/>

This is the author's version of a work that was submitted to / accepted for publication.

Citation for final published version:

Jewell, John 2015. How Disney will make US\$5 billion from Star Wars 7 merchandise. The Conversation 2015 (21 Sep) file

Publishers page: <https://theconversation.com/how-disney-will-make-u...>
<<https://theconversation.com/how-disney-will-make-us-5-billion-from-star-wars-7-merchandise-47506>>

Please note:

Changes made as a result of publishing processes such as copy-editing, formatting and page numbers may not be reflected in this version. For the definitive version of this publication, please refer to the published source. You are advised to consult the publisher's version if you wish to cite this paper.

This version is being made available in accordance with publisher policies.

See

<http://orca.cf.ac.uk/policies.html> for usage policies. Copyright and moral rights for publications made available in ORCA are retained by the copyright holders.





May the hype be with you. Jeff Krause, CC BY-NC-ND

How Disney will make US\$5 billion from Star Wars 7 merchandise

September 21, 2015 10.32am BST

It didn't surprise me at all to read that Royal Mail will issue special **Star Wars** stamps. In fact I wouldn't bat an eyelid if, in the publicity around the release of **Star Wars 7** on December 17, the Church of England were to issue Christmas cards with shepherds holding light sabres instead of crooks.

Yes, the greatest marketing campaign around movie tie-in toys since the last one (that would be **Minions**) is upon us. September 4 saw stores the world over open through the night to usher in "**Force Friday**" where, we were told by the official **Star Wars** website, we could begin to buy a wide range of products – from toys to books, comics, ebooks and apps, to clothing and lifestyle accessories – all available at mass retailers worldwide. It's an incredible undertaking across a variety of media platforms which is testament to the enduring appeal of the brand, which was originally launched in 1977.

Behind it all is Disney, which bought **Lucasfilm**, the company that produced the original **Star Wars** films, from its chairman and founder George Lucas for US\$4.05 billion in 2012. The plan is to deliver a new feature film every few years and to develop, in the words of **Disney** themselves, "Content across a diverse portfolio of businesses including movies, television, consumer products, games and theme parks."

Author



John Jewell

Director of Undergraduate Studies, School of Journalism, Media and Cultural Studies, Cardiff University

Vast empire

The Walt Disney Company is the acknowledged pioneer and master of licensing merchandise and as media expert Janet Wasko (among others) has pointed out, the worldwide proliferation of Disney merchandise is perhaps the key feature of its vast empire. Throughout its history it has licensed its characters to manufacturers in exchange for initial fees and sales percentages thereafter. In her book *Understanding Disney*, Wasko relates that almost as soon as Mickey Mouse made his debut in *Steamboat Willie*, Mickey's image began to gain a foothold in US culture. During the 1930s the company began to flood the market with products and the face of the mouse appeared on, everything from soap to ice cream cones to Carter diamond bracelets for US\$1,250.



Customers went mad for 'Force Friday'. Reuters/Paulo Whitaker

This business model has yielded phenomenal financial rewards. In 2014, *Variety* magazine reported that Disney brands generated a record US\$40.9 billion from licensed merchandise in 2013. Having titles from Disney, Marvel, Pixar and Lucasfilm “certainly makes our job easier,” said Josh Silverman, executive vice president of global licensing for Disney Consumer Products. “It gives us a rich portfolio of stories and characters and we spend a lot of time thinking of how to maximise these at retail.”

Disney has certainly maximised the potential of the Star Wars brand and the US\$4 billion for Lucasfilm was money well spent on a proven merchandising winner. It could be argued that anyone who grew up in the 1970s or 80s knows the figures of Chewbacca, Luke Skywalker, Darth Vader et al. As David Barnett wrote in the *Independent*, not only did the series of films capture the imagination, but the desire to own affiliated memorabilia was unparalleled. He states that between 1977 and 1978, Star Wars toys brought in US\$100m in revenue. By last year, the total was nearer US\$12 billion.

Young and old

And Star Wars has cross-generational appeal. How many parents this Christmas will shop for themselves as well as their children? Kathleen Kennedy, president of Lucasfilm said:

Star Wars toys have inspired multiple generations to relive the experience of the movies and to create new adventures all their own. These spectacular Star Wars: The Force Awakens products will continue that tradition.

This is an important point. Rekindling the greatest memories of one's own childhood whilst simultaneously believing you are contributing to the pleasure of your own children is a parental norm. Disney, through all its products, has noted the commercial value of shared experience. In this age where technology is sometimes perceived to have created a cultural distance between the generations, events like the release of The Force Awakens are marketed by Disney as something which can draw the family together again.



Kids and grownups love it so. 2015 Getty Images

The fact that the marketing around the latest Star Wars instalment has begun some three months before the release of the film itself indicates Disney's belief in the appetite for merchandise. The amounts of money invested in all sorts of different products is staggering. **Marketing Magazine** reports that Hasbro, the toy and board game giant, has paid US\$225m for the rights to produce toys

and Electronic Arts (EA) has the rights to produce Star Wars games and is planning multiple titles across consoles, computers and mobiles.

From images of Darth Vader on cornflakes packets and Campbell's soup, to t-shirts, purses and Stormtrooper dresses, the possibilities are endless. There's even a makeup line "coming to you from a galaxy far, far away", with lipsticks in colours like C-3PO gold and stormtrooper silver.

Bumper revenues

And yet when it comes to revenue, the number everyone talks about is how much the film will take at the box office, with pressure for the film to be the most successful movie of all time on this front. Morgan Stanley has estimated that it will generate US\$650m in the US alone and US\$2.2 billion globally. It could even be, according to the Guardian, the first US\$3 billion dollar movie.

These figures, however, do not even factor in the total US\$5 billion in merchandise sales expected in 2016. And it's the success on this front that ensure Star Wars will endure in our thoughts and imaginations.

Force Friday and the many products now available is just the beginning of an almost relentless period of cross promotion that will see new films, TV shows and products around the film be spun off. So come Christmas Eve, as you prepare the sherry for Santa and the carrot for Rudolph, what you see in the night sky may not be the fabled sleigh. It may instead be the millennium falcon – the fastest hunk of junk in the galaxy.



Who wouldn't want a Darth Vader toaster? Cozinhando Fantasias, CC BY-ND



Marketing Branding Star Wars